

Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-01 INR-07
L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15
USIA-06 SEC-01 JUSE-00 SCA-01 EUR-12 /074 W
-----132154Z 054272 /75

P R 132045Z JUN 77
FM AMEMBASSY SAN JOSE
TO SECSTATE WASHDC PRIORITY 7749
INFO AMEMBASSY GUATEMALA
AMEMBASSY MANAGUA
AMEMBASSY PANAMA
AMEMBASSY SAN SALVADOR
AMEMBASSY TEGUCIGALPA

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E.O. 11652: N/A
TAGS: PGOV, CS
SUBJECT: REACTIONS TO ODUBER ANNOUNCEMENT THAT VESCO WILL LEAVE
COSTA RICA

REF: SAN JOSE 2689

1. SUMMARY: COSTA RICAN REACTIONS TO ODUBER'S ANNOUNCEMENT THAT VESCO IS GOING TO LEAVE COSTA RICA HAVE PREDICTABLY DIVIDED ALONG PARTISAN POLITICAL LINES. THE OPPOSITION REMAINS SKEPTICAL. ODUBER'S NATIONAL LIBERATION PARTY DEFENDERS HAVE APPLAUDED THE PRESIDENT'S ANNOUNCEMENT; THEY WANT VERY MUCH TO BELIEVE IT, AND ARE DOING SO. COSTA RICAN MEDIA ARE FILLED WITH FOREIGN REACTION; COSTA RICANS ARE AWARE ONCE AGAIN THAT COUNTRY IS IN THE NEWS WOROWIDE BECAUSE OF VESCO. VESCO HIMSELF MUDDIED WATERS WITH DECLARATIONS TO THE NEW YORK POST, BUT CLAIMS HE WAS MISQUOTED. FINALLY, PRESIDENT ODUBER STATED FIRMLY, AND FOR FIRST TIME PUBLICLY, THAT VESCO IS RETURNING TO THE U.S. END SUMMARY.

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2. LOCAL REACTIONS TO PRESIDENT DANIEL ODUBER'S JUNE 9 ANNOUNCEMENT THAT HE TOLD VESCO TO LEAVE COSTA RICA HAVE FILLED THE POLITICAL NEWS OF THE PAST THREE DAYS. OPPOSITION POLITICIANS, EX-PRESIDENTS, AND CANDIDATES PREDICTABLY EXPRESSED A "SHOW ME" ATTITUDE. THEY ARE RAILING ABOUT THE CORRUPTION VESCO REPRESENTS, HOW LONG

THEY HAVE BEEN CLAMORING FOR VESCO TO LEAVE, THE DEFERENCE THE PRESIDENT HAS SHOWN VESCO. LEADING OPPOSITION DAILY "LA NACION" JUN 11 EDITORIALIZED BLUNTLY THAT ODUBER CONTINUES TO SUPPORT VESCO, AND ASKED HOW ODUBER COULD SQUARE HIS STATEMENT THAT VESCO DID COSTA RICA NO HARM WITH HIS DECISION THAT VESCO LEAVE. "LA NACION" ALSO PICKED UP WHAT IS WIDELY HEARD FROM MANY COSTA RICANS--THAT VESCO WOULD LEAVE BEHIND (POSSIBLY LATER TO RETURN TO) A NETWORK OF BUSINESSES AND POLITICIANS THAT WILL PERMIT HIM TO INTROMIT HIMSELF IN COSTA RICAN POLITICS AND GOVERNMENT IN YEARS TO COME.

3. PLN LEADERS ARE RELIEVED. THOSE MOST LOYAL TO ODUBER CITE THE PRESIDENT'S CALL TO LEAVE THE POLITICKING BEHIND; THEY HAVE THEIR FINGERS CROSSED THAT THE VESCO ISSUE IS BEHIND THEM. THE PLN CANDIDATE MONGE SO FAR HAS AVOIDED COMMENT. HIS HOPE: THAT THE ISSUE WILL NOW FADE. MONGE HAS PRIVATELY TOLD EMBASSY THAT HAD FIGUERES' REVELATIONS THAT CAUSED MOST WOULD HAVE SUFFERED IRREPARABLY. HE FEELS NOW THAT HE CAN OVERCOME THE IMPACT ON HIS CANDIDACY OF THE ODUBER GOVERNMENT/VESCO TIE.

4. LOCAL MEDIA ARE CARRYING FOREIGN COMMENTARY ON VESCO-- ESPECIALLY LUERE HE MAY BE GOING AND WHEN. VESCO'S FIRST PUBLIC COMMENT WAS TO RESPOND TO A NEW YORK POST STORY THAT SEEMED TO HAVE VESCO CONTRADICTING ODUBER. (VESCO REPORTEDLY SAID HE COULD BE IN COSTA RICA FOR TWO MORE YEARS.) VESCO "CLARIFIED" BY SAYING THAT "HE HAD NOT BEEN ORDERED TO LEAVE THE COUNTY." VESCO ALSO SAID LIMITED OFFICIAL USE

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HE CALLED POST'S ATTENTION TO THE PENDING LOCAL SECURITIES FRAUD CASE INVOLVING HIM, AND NOTED, SIMPLY, THAT IT COULD DRAG ON "FOR A WEEK, A MONTH, A YEAR, OR TWO YEARS WITHOUT RESOLUTION." VESCO UNDERLINED THAT HE COULD NOT LEAVE COSTA RICA BEFORE THIS CASE IS RESOLVED.

5. FINALLY, COSTA RICA HAS BEEN TITILATED BY PRESIDENT DANIEL ODUBER'S JUNE 12 REMARKS IN THE COSTA RICAN INTERIOR THAT VESCO WILL RETURN TO THE U.S. "BECAUSE HE IS NOT FACING ANY CRIMINAL CHARGES IN THE U.S." (SIC) ODUBER ALSO IS REPORTED TO HAVE SAID ON JUNE 12:

-- THAT HE TOLD VESCO AT THE BEGINNING OF THE YEAR THAT HE HAD TO LEAVE; REPORTS THAT VESCO HAD NOT BEEN SO INFORMED ARE FALSE.

-- THAT HE ASKED VESCO SOME TIME AGO TO PUT HIS FINANCIAL AFFAIRS IN ORDER IN COSTA RICA SO AS NOT TO LEAVE PROBLEMS BEHIND.

-- THAT \$186 MILLION OF THE \$224 MILLION
IOS MUTUAL FUNDS HAS BEEN RECOVERED.

-- THAT ACCORDING TO ODUBER'S UNDERSTANDING,
VESCO IS BEING SOUGHT "NOT FOR CRIMINAL
CHARGES, BUT FOR CONTRIBUTIONS TO
PRESIDENT NIXON'S RE-ELECTION CAMPAIGN."
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESIDENT, SPEECHES, POLITICAL SITUATION
Control Number: n/a
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Sent Date: 13-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
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From: SAN JOSE
Handling Restrictions: n/a
Image Path:
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Legacy Key: link1977/newtext/t19770663/aaaacdbb.tel
Line Count: 125
Litigation Code IDs:
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Litigation History:
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Message ID: 7d274f7e-c288-dd11-92da-001cc4696bcc
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 SAN JOSE 2689
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 12-Jan-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2175251
Secure: OPEN
Status: NATIVE
Subject: REACTIONS TO ODUBER ANNOUNCEMENT THAT VESCO WILL LEAVE COSTA RICA
TAGS: PGOV, CS, (VESCO, ROBERT L), (ODUBER QUIROS, DANIEL)
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/7d274f7e-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009